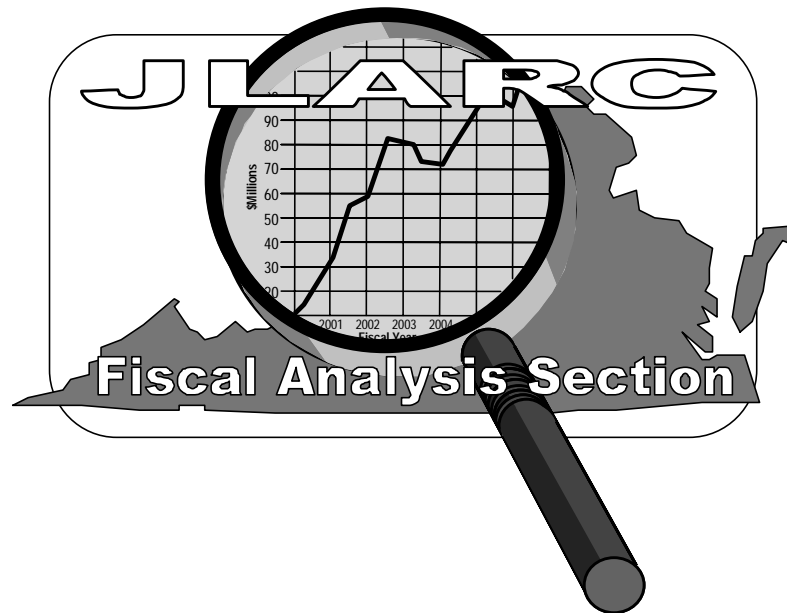**Joint Legislative Audit and Review Commission**
of the Virginia General Assembly

The Secretarial System: Update

Staff Briefing
October 15, 2002

Study Mandate

- At its July 2002 meeting, the Joint Legislative Audit and Review Commission asked staff to follow-up on aspects of its 1997 study of the Secretarial system. Of particular interest were:

  - Whether the current configuration of Secretariats and assignment of agencies meet the original purpose of the cabinet system

  - Criteria that are used for adding Secretariats

  - The addition of the Secretary of Technology

Secretarial System
Has Evolved Over Time

- The Secretarial System was established in statute in 1972 and consisted of six Secretaries.

- The purpose of the system was to enable the Governor to better manage the size and scope of State government.

- Secretariats have been combined and split over the years.

- There are currently a total of nine Secretariats.

Structure of the Secretarial System, by Fiscal Year

| 73 | 74 | 75 | 76 | 77 | 78 | 79 | 80 | 81 | 82 | 83 | 84 | 85 | 86 | 87 | 88 | 89 | 90 | 91 | 92 | 93 | 94 | 95 | 96 | 97 | 98 | 99 | 00 | 01 |

Human Affairs | **Human Resources** | **Health and Human Resources**

Transportation and Public Safety
- **Transportation** / **Public Safety**
- **Transportation and Public Safety**
- **Transportation** / **Public Safety**

Education

Commerce and Resources | **Economic Development** | **Commerce and Trade**

Natural Resources

Finance | **Administration and Finance** | **Finance**

Administration | | **Administration**

Technology

Assignment of Agencies to Secretariats

■ Beginning in FY 1973, a total of 62 agencies were statutorily assigned to six Secretariats.

■ By the end of FY 2002, 90 agencies were statutorily assigned to nine Secretariats.

■ The number of agencies statutorily assigned is somewhat misleading. Education has 10 "statutorily assigned" agencies. However, neither the Virginia Community College System nor the 12 independent colleges and universities count towards the total of 10.

Number of Agencies Assigned to Secretariats

Secretariat	FY 1973	FY 2002

Administration & Finance
     Administration
     Finance
	
	 7
	 8
		
		 11
		 5

Health & Human Resources	8	14

Transportation & Public Safety
     Transportation
     Public Safety
	8
	
		 6
		 11

Education	9	10

Commerce & Resources
     Commerce and Trade
     Natural Resources
	22
	
		 19
		 8

Technology		6
Secretarial System Total	**62**	**90**

Criteria for and Duties of Secretaries

■ There are no explicit criteria in the *Code of Virginia* that define circumstances under which a Secretariat should be created.

■ The Secretariats have three principal areas of statutorily defined duties and responsibilities:

- Representing the Governor's office

- Management oversight and coordination of agencies

- Function-specific duties of individual Secretariats

Representative of the Governor's Office

	HHR	Ed	Admin	Fin	C&T	NR	Trans	PS	Tech
Exercise duties in accordance with Governor's general policy	✔		✔	✔	✔	✔	✔	✔	✔
Direct development of goals/objectives/policies	✔	✔	✔	✔	✔	✔	✔	✔	✔
Employ personnel and consultants as may be required to perform duties	✔		✔	✔	✔	✔	✔	✔	✔
Direct formulation of a comprehensive budget	✔		✔	✔	✔	✔	✔	✔	✔

Managerial Oversight and Coordination

	HHR	Ed	Admin	Fin	C&T	NR	Trans	PS	Tech
Forward reports	✓		✓	✓	✓	✓	✓	✓	✓
Resolve interagency disputes	✓	✓	✓	✓	✓	✓	✓	✓	✓
Hold agency heads accountable	✓		✓	✓	✓	✓	✓	✓	✓

Function-Specific Secretariat Duties

	HHR	Ed	Admin	Fin	C&T	NR	Trans	PS	Tech
Formulate comprehensive budget for cultural affairs		✓							
Develop comprehensive econ. development policy					✓				
Coordinate implementation of long-term care policy	✓								
Serve as lead Sec. for Comprehensive Services Act for At-Risk Youth & Families	✓								
Establish comprehensive state-wide telecommuting policy			✓						✓
Develop strategies for restoring water quality in Chesapeake Bay						✓			
Function as Chief Information Officer									✓
Establish & Chair Committee overseeing drug screening								✓	
Direct development of plans for strengthening Commonwealth's technology resources									✓
Direct preparation of alternative policies/plans/budgets for education		✓							

Organizational and Budgetary Comparisons of the Secretariats

- The current cadre of nine Secretariats varies widely across a range of criteria.

- The Secretary of Education has the least statutory authority, but covers $9 billion in appropriations and over 45,000 employees.

- The Secretary of Technology covers appropriations of only $22 million and 360 staff.

- Organizational, budgetary, and supervisory criteria reflect differing levels of responsibility and Secretarial activity.

Comparison of Secretariats: Organizational Factors

Descriptor	HHR	Ed	Admin	Fin	C&T	NR	Trans	PS	Tech
Year of Creation (by statute)	1972	1972	1984	1984	1986	1986	1990	1990	2000
Previously Reorganized?	No	No	Yes	Yes	Yes	Yes	Yes	Yes	No
Staff for Office of the Secretary (FTE)	10	6	15	5	7	6	4	7	6
Number of Deputies	2	2	2	2	1	1	2	2	1
Appropriations for the Office of the Secretary (thousands)	$1,007	$631	$1,002	$502	$619	$546	$502	$720	$579

Comparison of Secretariats: Budgets

Descriptor	HHR	Ed	Admin	Fin	C&T	NR	Trans	PS	Tech
Budget of Secretariat (millions)	$6,079	$8,968	$578	$659	$713	$246	$3,034	$1,911	$22
General Funds (millions)	$2,612	$5,612	$558	$602	$170	$101	$45	$1,412	$17
Non General Funds (millions)	$3,467	$3,356	$21	$57	$543	$145	$2,989	$499	$5
Number of Employees in Secretariat (FTE)	17,105	45,987	937	1,187	2,643	2,014	12,719	21,371	360

Comparison of Secretariats: Agency Supervision

Descriptor	HHR	Ed	Admin	Fin	C&T	NR	Trans	PS	Tech
Number of Statutorily Assigned Agencies in FY 2002	14	10	11	5	19	8	6	11	6
Number of Other Agencies	1	15	3	1	1	0	1	0	0
Number of Associated Collegial Bodies	53	44	19	7	79	51	7	15	7

Criteria and Considerations for Changing the Cabinet Structure

■ **Change to the cabinet structure should involve consideration of a variety of factors:**

- **Secretariats should include agencies and programs with interrelated functions and priorities.**

- **Secretariats should address core functions of government, not specific policy initiatives.**

- **An appropriate span of control should exist. A Secretary with too large a span of control will have management difficulties. A Secretary with too small a span of control may tend to micromanage agencies.**

The Creation of New Secretariats

■ There is no statutory guidance on when a new Secretariat should be created. The current number appears adequate.

■ The creation of a Secretariat as a means of addressing a specific problem or policy priority may not be the best strategy. The designation of a Deputy Secretary should be considered to address such issues.

■ "Legacy" Secretariats created to accomplish a short-term goal or priority should be avoided.

■ The creation of a special assistant in the Governor's office can effect change across multiple Secretariats while a new Secretary is "coequal" with other Secretaries.